GIBSON, DUNN & CRUTCHER LLP Sec. 203 Exclusion Request for Nippon Steel Corporation, November 13, 2001 Exclusion Request No. 14

EXCLUSION REQUEST NO. 14

a. **Product Name:** Di Octyl Sebacate ("DOS") Oil-Coated Cold-Rolled Steel

HTSUS Classification: 7225.50.8085

b. <u>Technical Description</u>:

DOS Oil-Coated Cold-Rolled Steel is a specialized product used exclusively for the manufacture of drum bodies and parts. It has restricted specifications regarding oil and mechanical properties, which are in conformity with CR1 of ISO3574(-84). There are two kinds of specifications for this product which NSC seeks to have excluded:

A366-97 for drum body

- (1) Size
 - Thickness: 0.0159" to 0.0508"
 - Width: 28" to 50-7/16"
- (2) Main Chemical Elements

Carbon: 0.02 to 0.08% Manganese: 0.60% or less Phosphorous: 0.030% or less Sulfur: 0.025% or less

(3) Mechanical Properties

TS≥39 KSI

YP≤38 KSI

EL ≥30%

48 ≤HRB≤56

- (4) Gauge Accuracy: 1/4 ASTM
- (5) Oiling: Very fine layer (5 to 15mg/m2) of DOS oil good for direct painting

A366-97 for drum top and bottom

- (1) Size
 - Thickness: 0.0159" to 0.0533"

Width: 32-3/4" to 59"

(2) Main Chemical Elements

Carbon: 0.02 to 0.08% Manganese: 0.50% or less Phosphorous: 0.025% or less Sulfur: 0.025% or less GIBSON, DUNN & CRUTCHER LLP Sec. 203 Exclusion Request for Nippon Steel Corporation, November 13, 2001

Exclusion Request No. 14

(3) Mechanical Properties

TS≧39 KSI

YP≤37 KSI

EL ≥32%

43 ≤HRB≤51

- (4) Gauge Accuracy: 1/4 ASTM
- (5) Oiling: Very fine layer (5 to 15mg/m2) of DOS oil good for direct painting

The key physical characteristic of DOS Oil-Coated Cold-Rolled Steel distinguishing it from other forms of cold-rolled steel is that it can be painted directly without going through the process of electrical cleaning. This feature is obtained by rolling the steel with organic solution at NSC's Skin Pass Mill ("SPM") and oiling it with a very fine (5 to 15 mg/m² for one product, and 5 to 15 mg/m² for the other), uniformly coated layer of DOS oil. Usually, oil-coated steel sheets need to be electrically cleaned (i.e., cleaned of oil) before being moved on to the next processing stage. But because this product is oiled so finely and uniformly, this additional step is rendered unnecessary.

c. Basis for Exclusion Request:

This product should be excluded from any import restrictions imposed pursuant to Section 203 because this product is not available from domestic sources. That is, it is NSC's understanding that no U.S. producer can achieve the specifications at issue, because there is no domestic production facility that is equipped with the necessary equipment and technology.

d. Names and Locations of Any Producers:

NSC is not aware of any U.S. producers who can manufacture this product.

GIBSON, DUNN & CRUTCHER LLP Sec. 203 Exclusion Request for Nippon Steel Corporation, November 13, 2001

Exclusion Request No. 14

e. <u>Total U.S. Consumption</u>:

Based on its past shipments of this product to the United States, NSC estimates that U.S. consumption during the years 1996-2000 is as follows:

	1996	1997	1998	1999	2000
Qty (ST)	1.00	0.98	1.02	0.66	0.57
Value US \$	1.00	0.98	0.87	0.50	0.47

[Index: 1996 = 1.00]

NSC projects the following future estimated U.S. consumption, [

]:

	2001	2002	2003	2004	2005
Qty (ST)					
Value US \$	L				

f. <u>Total U.S. Production</u>:

NSC is not aware of any U.S. production of this product.

g. <u>U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names</u> of Any U.S. Producers of the Substitute:

NSC is not aware of any U.S.-produced substitutable product for NSC's DOS Oil-Coated Cold-Rolled Steel.

Public Exclusion Request No. 14~DOS oil coated cold steel.doc